

# **GYM**

**GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK  
VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.**

**DATAGATE BİLGİSAYAR  
MALZEMELERİ TİCARET A.Ş.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT FOR  
THE PERIOD ENDED 31.12.2006**

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.**  
**NOTES TO THE FINANCIAL STATEMENTS As of 31.12.2006**

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# GYM

GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK  
VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITOR'S REPORT FOR**  
**THE PERIOD ENDED DECEMBER 31, 2006**

**TO THE BOARD OF DIRECTORS OF**  
**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET ANONİM ŞİRKETİ**

We have audited the accompanying financial statements of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** ("the Company"), which comprise the balance sheet as at December 31, 2006 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting standards published by Capital Market Board (CMB). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Datagate Bilgisayar Malzemeleri Ticaret Anonim Şirketi** as of December 31, 2006 and its financial performance and its cash flows for the year then ended in accordance with financial reporting standards published by Capital Markets Board (CMB). (Istanbul, April 04, 2007)

**An Independent Member of BAKER TILLY INTERNATIONAL**  
**GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.**

  
GYM  
GÜRELİ  
YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ  
DENETİM HİZMETLERİ A.Ş.

**Dr. Hakkı DEDE**  
**Certified Public Accountant**

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.**  
**AUDITED BALANCE SHEET**

(Currency - In New Turkish Lira Unless Stated Otherwise.)

	Notes	Current Period		Previous Period	
		31.12.2006		31.12.2005	
<b>ASSETS</b>					
<b>Current Assets</b>			61.599.203		50.384.627
Cash and Cash Equivalents	<b>Note 4</b>	870.004		2.437.560	
Marketable Securities (Net)	<b>Note 5</b>	0		0	
Trade Receivables (Net)	<b>Note 7</b>	26.281.485		20.925.249	
Financial Leasing Receivables(Net)	<b>Note 8</b>	0		0	
Receivables From Related Parties(Net)	<b>Note 9</b>	8.825.540		3.649.996	
Other Receivables (Net)	<b>Note 10</b>	467		1.972	
Live Assets(Net)	<b>Note 11</b>				
Inventories (Net)	<b>Note 12</b>	18.643.089		15.938.142	
Receivables From Construction Contracts in Progress (Net)	<b>Note 13</b>	0		0	
Deferred Tax Assets	<b>Note 14</b>	0		0	
Other Current Assets	<b>Note15</b>	6.978.618		7.431.708	
<b>Non-Current Assets</b>			517.996	0	494.282
Trade Receivables (Net)	<b>Note 7</b>	1.684		1.606	
Financial Leasing Receivables(Net)	<b>Note 8</b>	0		0	
Receivables From Related Parties(Net)	<b>Note 9</b>	0		0	
Other Receivables (Net)	<b>Note10</b>	0		0	
Financial Instruments (net)	<b>Note 16</b>	401.457		309.434	
Positive/Negative Goodwill (net)	<b>Note 17</b>	0		0	
Real Estate Properties with Investment Purposes (net)	<b>Note 18</b>	0		0	
Tangible Fixed Assets (net)	<b>Note 19</b>	82.677		96.034	
Intangible Fixed Assets (net)	<b>Note 20</b>	7.650		52.439	
Deferred Tax Assets	<b>Note 14</b>	24.528		34.769	
Other Non-Current Assets	<b>Note 15</b>	0		0	
<b>TOTAL ASSETS</b>			62.117.199		50.878.909

The Accompanying notes form an integral part of these financial statements.

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.**  
**AUDITED BALANCE SHEET**

(Currency - In New Turkish Lira unless stated otherwise.)

	Notes	Current Period		Previous Period	
		31.12.2006		31.12.2005	
<b>LIABILITIES (SOURCES)</b>			<b>48.219.115</b>		<b>45.182.699</b>
<b>Short-Term Liabilities</b>			<b>48.141.541</b>		<b>45.116.372</b>
Financial Liabilities (net)	<b>Note 6</b>	9.494.948		16.014.811	
Financial Leasing Payables (net)	<b>Note 8</b>	0		0	
Trade Payables (net)	<b>Note 7</b>	30.143.581		26.849.921	
Due to The Related Parties (net)	<b>Note 9</b>	7.486.918		1.066.758	
Other Financial Liabilities (net)	<b>Note 10</b>	0		0	
Advances Received	<b>Note 21</b>	120.072		242.337	
Construction Contracts in Progress	<b>Note 13</b>	0		0	
Provision For Expenses and Liabilities	<b>Note 23</b>	556.730		642.405	
Deferred Tax Liabilities	<b>Note 14</b>	0		0	
Other Liabilities (net)	<b>Note 15</b>	339.292		300.141	
<b>Long-Term Liabilities</b>			<b>77.574</b>	<b>0</b>	<b>66.327</b>
Financial Liabilities (net)	<b>Note 6</b>	0		0	
Financial Leasing Payables (net)	<b>Note 8</b>	0		0	
Trade Payables (net)	<b>Note 7</b>	0		0	
Due to The Related Parties (net)	<b>Note 9</b>	0		0	
Other Financial Liabilities (net)	<b>Note 10</b>	0		0	
Advances Taken	<b>Note 21</b>	0		0	
Provision For Expenses and Liabilities	<b>Note 23</b>	77.574		66.327	
Deferred Tax Liabilities	<b>Note 14</b>	0		0	
Other Liabilities (net)	<b>Note 15</b>	0		0	
<b>MINORITY SHARE HOLDERS EQUITY</b>	<b>Note 24</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>SHAREHOLDERS' EQUITY</b>			<b>13.898.085</b>	<b>0</b>	<b>5.696.210</b>
<b>Capital</b>	<b>Note 25</b>	<b>6.600.000</b>		<b>1.550.000</b>	
<b>Reclassification Adjustments</b>	<b>Note 25</b>	<b>0</b>		<b>0</b>	
<b>Capital Reserves</b>	<b>Note 26</b>	<b>4.417.305</b>		<b>2.808.314</b>	
Share Premiums		4.362.719		0	
Profit From Invalidation of Shares		0		0	
Fixed Assets Revaluation Fund		0		0	
Financial Assets Revaluation Fund		0		0	
Inflation Adjustment Differences of Shareholders' Equity		54.586		2.808.314	
<b>Retained Earnings</b>	<b>Note 27</b>	<b>572.246</b>		<b>684.324</b>	
Legal Reserves		113.217		55.531	
Statutory Reserves		0		0	
Extraordinary Reserves		459.029		628.793	
Special Reserves		0		0	
Income From Sales of Subsidiary Shares and Fixed Assets Held for Adding to Sharecapital		0		0	
<b>Net Profit / (Loss) for the Period</b>	<b>Note 26</b>	<b>2.103.157</b>		<b>2.446.263</b>	
<b>Accumulated Profit(Loss)</b>	<b>Note 28</b>	<b>205.377</b>		<b>-1.792.691</b>	
<b>TOTAL LIABILITIES(SOURCES)</b>			<b>62.117.199</b>		<b>50.878.909</b>

The Accompanying notes form an integral part of these financial statements.



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.**  
**AUDITED INCOME STATEMENT**

(Currency - In New Turkish Lira Unless Stated Otherwise.)

	Notes	Current Period 01.01.2006- 31.12.2006	Previous Period 01.01.2005- 31.12.2005
<b>OPERATING INCOME</b>			
<b>Income and Profit From Other Operations</b>	Note 36	221.083.014	197.350.155
Cost of Sales (-)		(211.472.418)	(189.176.958)
Other Operating Income / interest + dividend + rent (net)		-	-
<b>GROSS PROFIT/(LOSS)</b>		<b>9.610.596</b>	<b>8.173.198</b>
Operation Expenses (-)	Note 37	(3.937.850)	(3.442.833)
<b>NET OPERATION PROFIT/(LOSS)</b>		<b>5.672.746</b>	<b>4.730.365</b>
Income and Profit From Other Operations	Note 38	5.372.433	3.664.852
Expense and Loss From Other Operations (-)		(5.407.699)	(3.880.933)
Financial Expenses (-)	Note 39	(3.111.968)	(1.626.836)
<b>PROFIT/(LOSS)</b>		<b>2.525.512</b>	<b>2.887.448</b>
Profit/(Loss) On Net Monetary Position	Note 40	-	-
<b>PROFIT/(LOSS) BEFORE MINORITY</b>		-	-
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>2.525.512</b>	<b>2.887.448</b>
Taxes	Note 41	(422.355)	(441.185)
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		<b>2.103.157</b>	<b>2.446.263</b>
<b>Earnings per Share: With Nominal Value of YTL 0,001 Each:</b>	Note 42	<b>34,78%</b>	<b>157,82%</b>

The Accompanying notes form an integral part of these financial statements.

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.**  
**AUDITED CASH FLOW STATEMENT**

(Currency - In New Turkish Lira Unless Stated Otherwise.)

	Notes	31.12.2006	31.12.2005
<b>A)Cash flows from operating activities</b>			
<b>Net Profit / (Net Loss)</b>		<b>2.103.157</b>	<b>2.446.263</b>
Adjustments :			
Depreciation (+)	Note 19	103.124	122.362
Provision For Termination Indemnities (+)	Note 23	11.247	17.369
Rediscount on Receivables (+)	Note 7 ,Note 9	95.942	56.448
Provision for Doubtful Receivables for Current Period (+)		94.523	10.217
Nullified Provisions			
Provision for Decrease in Value of Inventories (+)	Note 12	79.145	81.885
Rediscount on Payable (+)	Note 9	(134.751)	(104.026)
Provision for Diminution In Value of Participations(-)	Note 16		
Exchange Loss (+)			
Income from Marketable Securities or Long-term Investments(-)			
<b>Operational Income before Changes in working Capital:</b>		<b>2.352.387</b>	<b>2.630.518</b>
Increase in Trade Receivables /Other Receivables (-)	Note 7, Note 9,		
	Note 10	(10.720.819)	(6.950.230)
Net decrease in Inventories (+)	Note 12	(2.784.092)	(5.043.001)
Net Increase in Marketable Securities with Purchase/Sale Purposes(-)		-	-
Net decrease in Trade Payables and Other Payables (-)	Note 7,Note 9	9.726.307	8.975.914
Cash from Operational Activities (+)			
Interest Paid (-)			
Taxes Paid (-)			
Other Increase/Decrease (+)/(-)		324.785	(2.794.681)
<b>Net Cash Inflow Provided/(Used) From Operating Activities:</b>		<b>(1.101.432)</b>	<b>3.181.480</b>
<b>B)Net Cash Provided/(Used) from Investment Activities:</b>			
Financial Fixed Assets Acquisition (-)			
Tangible Fixed Assets Acquisition (-)	Note 19	(44.979)	(31.853)
Net value of Tangible Fixed Assets Disposals		-	302
Interest Received (+)			
Dividend Received (+)			
<b>Net Cash Used in Investment Activities:</b>		<b>(44.979)</b>	<b>(31.551)</b>
<b>CASH FLOW PROVIDED/(USED)from FINANCIAL ACTIVITIES</b>			
Net Cash in Flow Provided by Issued Shares (+)		2.000.000	
Net Increase of Financial Short-Term Liabilities (+)	Note 6	4.362.719	
Net Increase of Long-Term Financial Liabilities (+)	Note 6	(6.519.863)	5.239.090
Dividend Paid (-)		(264.001)	
<b>Net Cash Provided/(Used) From Financial Activities:</b>		<b>(421.145)</b>	<b>5.239.090</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>1.567.556</b>	<b>2.026.059</b>
BEGINNING BALANCE of CASH and CASH EQUIVALENTS	Note 4	2.437.560	411.500
ENDING BALANCE of CASH and CASH EQUIVALENTS	Note 4	870.004	2.437.560

The Accompanying notes form an integral part of these financial statements.

**G Y M M**  
**G Ü B E L İ**  
 YEMİNLİ MAAET MÜŞAVİRLİK VE BAĞIMLIZ  
 DENETİM HİZMETLERİ A.Ş.

**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.**  
**AUDITED STATEMENT OF SHAREHOLDERS' EQUITY**

(Currency - In New Turkish Lira Unless Stated Otherwise.)

	Capital	Capital Reserves	Previous Years' Profit/(Losses)	Net Profit/(Losses) for the Period	Retained Earnings/Legal Reserves	Total Equity
<b>31.12.2005</b>	1.550.000	2.808.314	-1.792.691	2.446.363	684.324	5.696.209
Transfer	3.050.000	-2.753.728	2.778.783	-2.446.263	-628.793	0
Issue Premium		4.362.719				4.362.719
Capital Increase	2.000.000					2.000.000
Transfer to the Legal Reserves			-57.686		57.686	0
Transfer to the Extraordinary Reserves			-459.029		459.029	0
Distribution of Earnings			-264.000			-264.000
Net Profit				2.103.157		2.103.157
<b>31.12.2006</b>	6.600.000	4.417.305	205.377	2.103.257	572.246	13.898.085
<b>31.12.2004</b>	1.550.000	2.808.314	-2.722.339	929.648	684.324	3.249.947
Transfer			929.648	-929.648		0
Transfer to the Legal Reserves						0
Transfer to the Extraordinary Reserves						0
Distribution of Earnings						0
Net Profit				2.446.263		2.446.263
<b>31.12.2005</b>	1.550.000	2.808.314	-1.792.691	2.446.263	684.324	5.696.210

The Accompanying notes form an integral part of these financial statements.





# DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25 (Currency- In New Turkish Lira Unless Stated Otherwise.)

### NOTE 1. ORGANIZATION AND BUSINESS SEGMENTS

Datagate Bilgisayar Malzemeleri Anonim Şirketi ("Company") was founded in 1992, and the main activities of the Company consist of buying and selling computer and computer equipment.

As of December 31, 2006 and December 31, 2005 the subsidiaries of the company which have been taken into consolidation are shown below:

Company Name	Field Of Operations	Capital	Direct Participation Rate %	Indirect Participation Rate %
Neteks İletişim Ürünleri Dağıtım A.Ş. (Neteks)	Purchasing and Selling Network Products	1.100.000	24	24

The main shareholders of the company as of December 31, 2006 are İndeks Bilgisayar Sistemleri Sanayi ve Ticaret A.Ş. (% 59,24), Tayfun Ateş (%10,46) and Public Offering (%30,30).

The average number of employees as of December 31,2006 is 50. (2005:50)

The Company's official address stated in Trade Registry is Ayazağa Mah. Cendere Yolu No: 9/2 Şişli , İSTANBUL and the company has branches in İstanbul Atatürk Airport Free Zone and Dubai Jebel Ali Free Zone.

### NOTE 2 - PRINCIPLES OF CONSOLIDATION

#### 2.01. Basic Principles For The Presentation of Financial Tables

The company maintains its books of accounts in New Turkish Lira and in accordance with Turkish Commercial Code, Tax Laws and communiques of Capital Markets Board. These financial statements are prepared in accordance with International Accounting Standards that include restatement of historical costs and official entries into New Turkish Lira's purchasing power and The Capital Markets Board Standards that include declarations of International Accounting Standards Committee.

#### 2.02. Dealing With The Inflation Effects in Hyper-Inflationary Periods

The elimination of the inflationary effects in the financial statements which arise after the difference of the purchasing power of YTL as of 31.12.2004 is based on the Capital Markets Board's (CMB) communiqué Serie XI No: 25 dated 15 November 2003. According to the communiqué, the financial statements, prepared with a currency that belongs to a high-inflationary economy , are presented with the valid purchasing power as of the balance sheet date, and the figures belonging to the previous reporting periods are also adjusted with the index valid on the latest balance sheet date.

According to the mentioned communiqué, high inflationary period starts with the period, when the index at the date of yearly balance exceeds the double of the index at the beginning of the third previous period including the related period and when the index of the related balance sheet date has increased 10% or more than the index at the beginning of accounting period .

Indexing process is done with correction factor based by Wholesale Price Index (TEFE ), which is explained and accepted all around the country by State Institute of Statistics DIE.

#### 2.03. Consolidation Principles

Subsidiaries are the companies whose shares are held by the Company directly or indirectly through shares of other companies. As a result, the Company, with 20% or more and less than 50% of voting right, has the power and authority to direct and control the management and policies of the subsidiary companies whether through the ownership of voting securities, by contract or otherwise. The subsidiaries have been presented in the financial statements according to the Equity Method.

# DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.

## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25 (Currency- In New Turkish Lira Unless Stated Otherwise.)

According to the Equity Method; as of date, when the partnership within the scope of consolidation becomes a subsidiary, and just to be applied for once, when subsequent share acquisitions occur, the acquisition cost of the shares of the subsidiary owned by parent company are deducted from the value of these shares represented in the equity balances of the balance sheet of the subsidiary, which is evaluated according to the fair value and accounted under the previous years' profit/(loss). The increase and decrease in values, which arise in subsequent years, are related with the income statements as provisions for increase or decrease in values for calculation of the fair value of the participation. Goodwill arisen before 31.12.2004 has been amortized completely.

The company has its subsidiary Neteks according to Equity Method.

The net period profit/loss of the subsidiary subject to consolidation is as follows

Participation Name	Participation %	31.12.2006 Net Profit For The Period	31.12.2005 Net Profit For The Period
Neteks İletişim Ürünleri Dağıtım A.Ş. (Neteks)	24	383.429	353.424

### 2.04. Comparative Information And Adjustment of The Previous Year Financial Statements

The changes in classification of the financial statements of the current period are also applied to the financial statements relating to prior period, if necessary.

### 2.05. Offsetting Against The Carrying Amount of An Asset and Liability

The financial assets and liabilities in financial statements are shown at their net value under the circumstances of permission by a legal authority, an intention for showing in the financial statements at net value and the financial asset and liabilities are arisen concurrently.

## NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.01. Income

The definition of income encompasses both revenue and gains. For sales significant risks and advantages are transferred when the goods are delivered to customers or when customers have the ownership of the goods. If there is a significant financial cost in sales amounts, fair value is determined by discounting future receipts if the cash or cash inflow is deferred. Net sales are calculated after the sales returns and discounts are reduced from the invoiced value of the delivered goods. The differences between the fair value and the nominal value of the sales are taken in to consideration as interest income on accrual basis.

### 3.02. Inventories

Inventories are reflected to the financial statements at the lower of acquisition cost or net realizable value. The inventory costing methods used by the Company is "First In First Out (FIFO)".

Borrowing costs are not taken into consideration in calculation of cost of finished and semi-finished goods. Net realizable value is computed by subtracting sales expenses from company's sales price.

### 3.03. Tangible Fixed Assets

Tangible Fixed assets are reflected to the financial statements by deducting their accumulated depreciation from their cost values, which are adjusted according to the inflationary effects as of December 31, 2004. Depreciation is calculated by straight-line method based on economic life. The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:



## DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25 (Currency- In New Turkish Lira Unless Stated Otherwise.)

TYPE	31.12.2006 RATE (%)	31.12.2005 RATE (%)
Machinery, Plant and Equipment	20	20
Furniture and Fixtures	20-25	20-25
Motor Vehicles	20	20

Since the lands have unlimited useful life, they are not subject to depreciation.

The profit and loss arisen from fixed asset sales are determined by comparing net book value with sales price and as a result it is added to period profit or loss.

Maintenance and repair expenses are accounted as expense at their realization date. If the maintenance and repair expenses clearly improve the economic value or performance of the related asset then it is capitalized.

#### 3.04. Intangible Fixed Assets

Intangible Fixed assets are reflected to the financial statements by deducting their accumulated depreciation from their cost values, which are adjusted according to the inflationary effects as of December 31, 2004.

Intangible fixed assets comprises rights, leasehold improvements and other intangible Fixed Assets.

Intangible fixed assets are stated cost, net of accumulated amortization. Amortization is calculated with straight-line depreciation method based on economic life 5-10 years.

#### 3.05. Impairment of Assets

The carrying value of non-current assets comprising tangible and intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If the recoverable amount of an asset is below its carrying amount, impairment loss is recognized by making provision.

#### 3.06. Borrowings Costs

The borrowing costs are recognized as expense when they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset. The capitalization of borrowing costs as part of the cost of a qualifying asset shall commence when expenditures for the asset are being incurred, borrowing costs are being incurred; and activities that are necessary to prepare the asset for its intended use or sale are in progress. Expenditures on a qualifying asset include only those expenditures that have resulted in payments of cash, transfers of other assets or the assumption of interest-bearing liabilities.

#### 3.07. Financial Instruments

Financial assets are accounted with their recorded values in the initial recording date. In the subsequent reporting period financial assets, which the community has, intention and power to have control over till the end of expiration date, are evaluated with their discounted cost values taking decrease in value in consideration. Financial assets other than the ones that will be in hand till the expiration date are classified as for sale and they are evaluated with the current value on balance sheet date. Unrealized gains and losses that emerge from financial assets with trading purposes are accounted in the gain/loss of the period. Unrealized gains and losses that emerge from financial assets that are for sale are either accounted under sales or under equity till taking decision of continuing decrease in value and the cumulative gain and loss that are formed in equity is devolved in gain/loss of the period.

The methods used to determine realizable value of each financial instruments are shown below.



## **DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.**

### **NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25 (Currency- In New Turkish Lira Unless Stated Otherwise.)**

#### **Cash and Cash Equivalents;**

Cash and bank balances in foreign currencies have been valued with period-end exchange rate. The cash accounted in balance sheet and the values of the deposit at bank are the predicted values in consistency with their real values.

#### **Trade Receivables;**

Trade receivables are accounted with their realizable values and with their net realizable value, which were discounted by prevailing interest rate and deducting, provisions for doubtful receivables. These provisions are made by considering the amounts that were not collectable, guarantees taken, experiences, and also current economic situations. The receivables which can not be collected are accounted as expense at the year that they are considered as uncollectible receivables.

#### **Loans;**

The loans utilized are subject to prevailing interest rates at the date they were used. Bank loans have been accounted considering the net cash amount taken. Financial expenses are accounted on an accrual basis and the unpaid parts of these expenses are added to the principal of the loans.

#### **Risk of Collection;**

The risk of collection of the company arises from its trade receivables. Most of the trade receivables are from branches. The company has strong controlling system on its branches and the credit risks which arise from the transactions with the branches are effectively followed and moreover these risks have been restricted for every debtor. Taking adequate guarantees from branches is a method of managing these risks. There has been no important credit risk due to the fact that the company has receivables from many companies with small amounts instead of few companies with huge amounts. Trade receivables have been evaluated by company management considering past years' experiences and current economic situation and after all have been accounted in the balance sheet with their net values after making provision for doubtful receivables.

#### **Risk of Liquidity;**

The company usually creates its own fund via converting the short-term financial instruments to cash; for example, receivables or disposal of securities are collected. The amounts received from these instruments have been accounted via their realizable values.

#### **Risk of Exchange**

The company usually realizes its sales in foreign currency, which is used by the company in purchasing. Therefore, there is no important exchange risk.

#### **3.08. Mergers**

There exists no transaction of the Company relating to mergers as at December 31, 2006 and December 31, 2005.

#### **3.09. Exchange Differences Effects**

All transactions denominated in foreign currencies are translated into YTL at the actual rates of exchange ruling at the dates of the transactions. Foreign currency monetary assets and liabilities stated in the balance sheet have been converted into YTL using the exchange rates on balance sheet date. Foreign exchange differences are reflected to the income statement.

## DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25 (Currency- In New Turkish Lira Unless Stated Otherwise.)

#### 3.10. Net Profit Per Share

Net profit per share is computed by dividing net profit available to common shareholders by the weighted average number of common shares outstanding for the period.

#### 3.11. Subsequent Events

The Community is liable for adjusting the amounts and disclosures in the financial statements if they arise after the balance sheet date. The non-adjusting subsequent events are adjusted in the notes to the financial statements provided that they comprise the issues effecting the economic decisions of the users.

#### 3.12. Provisions, Contingent Liabilities and Assets

A provision is accounted if a liability comes from past and continues today and if this liability may require source outflow from the community and if the value of liability can be calculated reliably. Where the decrease in value of money in time is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Because of the decrease in value of money in time, provisions relating to cash outflows that arise soon after the balance sheet date are more onerous than those where cash outflows of the same amount arise later. Provisions are therefore discounted, where the effect is material. The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect (s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted. The increase in provisions arisen from time differences is recorded as interest expense in case of discounting. Future events that may affect the amount required to settle an obligation shall be reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Expected future events may be particularly important in measuring provisions.

Contingent liabilities and assets are not reflected to financial statements but disclosed in the notes to the financial statements. The entity recognizes a provision for the part of the obligation, for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made.

#### 3.13. Changes in Accounting Policies, Estimates and Errors

Preparing the financial statements in accordance with the International Financial Reporting Standards requires the management to estimate the amount of the assets and liabilities in the financial statements and make assumption for the possible liabilities and commitments at the balance sheet date. The estimates are revised regularly and thereby necessary adjustments are made and related to the income statement of the relating periods

#### 3.14. Leases

Assets that are acquired with financial leasing are considered with their realizable values at acquisition date as an asset belonging to the company. The obligation to the lessor will be presented in the balance sheet as financial leasing liability. Financial expenses that emerge from the difference between total financial leasing commitment and realizable value of the asset, will be recorded in the statement of income for the period they occur with allocation of liability per accounting period using fixed interest rate throughout the whole leasing term.

#### 3.15. Related Party Disclosures

The shareholders' of the Company; Datagate Bilgisayar Malzemeleri A.Ş., Indeks Group Companies that the company is affiliated to, and its directors and other companies directly or indirectly controlled by Datagate are considered related parties. The transactions with related parties are disclosed in the notes to the financial statements.



## DATA GATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.

### NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25 (Currency- In New Turkish Lira Unless Stated Otherwise.)

#### 3.16. Segmented Reporting of Financial Information

The company and the affiliated companies have not reported the financial information according to the segment reporting due to the fact that they operate in Information Technology.

#### 3.17. Construction Contracts

The community does not have any activity related to construction and there exist no construction contracts as of December 31, 2006.

#### 3.18. Discontinuing Operations

When the companies are parties of a binding sales agreement with regard total of the assets directly or the board directors or a similar management unit approves a formal and detailed plan related with the discontinuation or make declaration concerning the discontinuation this situation is declared to public. The presentation and evaluation principles of discontinuing operations concerning impairment of assets, provisions, contingent liabilities, tangible and intangible assets and employee benefits are in accordance with the current related regulations.

#### 3.19. Government Grants and Assistance

Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

Government grants shall be recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. The income obtained from the investment incentives, which are provided by the government, is accounted as a discount from an appropriate expense item.

#### 3.20. Investment Properties

None

#### 3.21. Income Taxes

The Community is subject to Corporate Tax at the rate of 20%, corporate tax is computed over the Community's taxable income. The withholding tax is accounted at the time of dividend distribution. (31.12.2005:%20)

#### 3.22. Retirement Pay

According to Turkish Labor Law, employee termination benefit is reflected to financial statements when the termination indemnities are deserved. The amount of the benefit is calculated over the severance indemnity upper limit as of the balance sheet date. Total provision reflects the probable present value of the amount of liability that will arise in the future according to the retirement of the all employees.

#### 3.23. Retirement Benefit Plans

There exists no issue in relation with the retirement benefit plans as of December 31, 2006.

#### 3.24. Agriculture

Due to the business segment the Community is operating, there exist no agricultural transactions as of December 31, 2006.



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## NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB SERIE: XI NO: 25 (Currency- In New Turkish Lira Unless Stated Otherwise.)

### 3.25. Cash Flow Statement

Cash and cash equivalents are stated at cost value in the balance sheet. The cash and cash equivalents comprises cash in hand, bank deposits and highly liquid investments.

#### NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the periods ended December 31, 2006 and December 31, 2005 are as follows:

	31.12.2006	31.12.2005
Cash	5.138	6.487
Bank	833.573	2.308.478
Other Liquid Assets	31.293	122.595
<b>Total</b>	<b>870.004</b>	<b>2.437.560</b>

#### NOTE 5 – MARKETABLE SECURITIES

The company does not have any marketable securities for the periods ended December 31, 2006 and December 31, 2005.

#### NOTE 6 – FINANCIAL LIABILITIES

Financial liabilities for the periods ended December 31, 2006 and December 31, 2005 are as follows:

##### 31.12.2006

Currency	Amount	Amount in YTL	Interest Rate (%)
USD Loans	6.562.684	9.224.508	6,00-7,00
YTL Loans	-	270.440	Without Interest
<b>TOTAL</b>	<b>6.562.684</b>	<b>9.494.948</b>	

##### 31.12.2005

Currency	Amount	Amount in YTL	Interest Rate (%)
USD Loans	11.251.637	15.170.582	5,35-5,9
YTL Loans	-	844.229	Without Interest
<b>TOTAL</b>	<b>11.251.637</b>	<b>16.014.811</b>	

#### NOTE 7 – TRADE RECEIVABLES AND PAYABLES

Trade receivables for the periods ended December 31, 2006 and December 31, 2005 are as follows:

	31.12.2006		31.12.2005	
	Short Term	Long Term	Short Term	Long Term
Customers	14.840.605	-	10.990.594	-
Notes Receivable	11.651.141	-	10.049.063	-
Rediscount on Cheques and Notes Receivables (-)	(210.351)	-	(114.408)	-
Deposits and guarantees given	90	1.684		1.606

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Doubtful Receivables	446.478	-	351.955	-
Provision for Doubtful Receivables (-)	(446.478)	-	(351.955)	-
<b>Total</b>	<b>26.281.485</b>	<b>1.684</b>	<b>20.925.249</b>	<b>1.606</b>

Trade payables for the periods ended December 31, 2006 and December 31, 2005 are as follows:

Account Name	31.12.2006	31.12.2005
Suppliers	30.452.788	26.692.543
Notes Payables	-	331.834
Deposits and Guarantees Received	-	-
Discount on Payables	(309.207)	(174.456)
<b>Total</b>	<b>30.143.581</b>	<b>26.849.921</b>

The types and the amounts of the guarantees taken for the receivables for the periods ended December 31, 2006 and December 31, 2005 are as follows:

	31.12.2006			31.12.2005		
	YTL	USD	EURO	YTL	USD	EURO
Guarantee Notes	-	63.000	-	-	43.000	-
Guarantee Cheques	393.000	1.660.500	5.000	201.000	1.283.027	-
Guarantee Letters	-	-	-	7.500	20.000	-
Mortgages	-	-	-	250.000	-	-
<b>Total</b>	<b>393.000</b>	<b>1.723.500</b>	<b>5.000</b>	<b>458.500</b>	<b>1.346.027</b>	<b>-</b>

**NOTE 8 – FINANCIAL LEASE RECEIVABLES AND PAYABLES**

The company does not have Finance Lease Receivables and Payables for the periods ended December 31, 2006 and December 31, 2005.

**NOTE 9 – TRANSACTIONS WITH RELATED PARTIES**

Due to/ receivables from related parties for the periods ended December 31, 2006 and December 31, 2005 are as follows:

**31.12.2006**

<b>I) Related Parties</b>	<b>Receivables</b>		<b>Payables</b>	
	<b>Trade Receivables</b>	<b>Non-Trade Receivables</b>	<b>Trade Payables</b>	<b>Non-Trade Payables</b>
Partners	-	-	-	-
İndeks A.Ş.	7.765.680	-	7.311.811	-
Neteks	877	-	61.071	-
İnfin A.Ş.	509.000	-	959	-
Neotech A.Ş.	334.896	-	96.512	-
Despec A.Ş.	215.087	-	15.176	-
Personnel	-	-	-	1.389
<b>Total</b>	<b>8.825.540</b>	<b>-</b>	<b>7.485.529</b>	<b>1.389</b>

<b>Total Receivables / Liabilities</b>	<b>8.825.540</b>	<b>7.486.918</b>
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**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.****NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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	<u>Receivables</u>		<u>Payables</u>	
<b>D) Related Parties</b>	<b>Trade Receivables</b>	<b>Non-Trade Receivables</b>	<b>Trade Payables</b>	<b>Non-Trade Payables</b>
Partners	-	90.870	-	-
İndeks A.Ş.	2.802.640	-	1.046.906	-
Neteks	-	-	-	-
İnfin A.Ş.	411.735	-	959	-
Neotech A.Ş.	-	-	5.739	-
Despec A.Ş.	344.751	-	11.978	-
Personnel	-	-	1.176	-
<b>Total</b>	<b>3.559.126</b>	<b>90.870</b>	<b>1.066.758</b>	<b>-</b>
<b>Total Receivables / Liabilities</b>	<b>3.649.996</b>		<b>1.066.758</b>	

**NOTE 10 – OTHER RECEIVABLES AND PAYABLES**

Other Receivables and Payables for the periods ended December 31, 2006 and December 31, 2005 are as follows:

**Receivables**

<b>Account Name</b>	<b>31.12.2006</b>	<b>31.12.2005</b>
Other	467	1.972
<b>Total</b>	<b>467</b>	<b>1.972</b>

**NOT 11 – LIVE ASSETS**

None.

**NOT 12 – INVENTORIES**

The inventories for the periods ended December 31, 2006 and December 31, 2005 are as follows:

<b>Name of Account</b>	<b>31.12.2006</b>	<b>31.12.2005</b>
Commercial Goods	15.842.043	9.811.282
Other Inventories	161.030	81.885
Provision for Decrease in Value of Inventories (-)	(161.030)	(81.885)
Advances Given	2.801.046	6.126.860
<b>Total</b>	<b>18.643.089</b>	<b>15.938.142</b>

**NOT 13 – RECOGNITION OF CONTRACT REVENUE AND EXPENSES**

Due to the business segment the Community is operating, there exist no transactions relating to construction contracts as of December 31, 2006.



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#### NOT 14 – DEFERRED TAX ASSETS AND LIABILITIES

##### **Corporate Tax:**

The Community is subject to corporate tax in Turkey. The necessary provisions have been made for estimated tax liabilities as a result of Company's operations in the current period. The corporate tax, to be accrued over the taxable profit, is calculated by adding undeductible expenses to the accounting profit and deducting investment allowances, income not subject to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

##### **Current Tax Rates:**

Companies calculate their temporary taxes on their quarterly financial profits in Turkey. The rate of Corporate Tax has been taken down as 20% for applying the Earnings that are belongs to year of 2006 via New Corporate Tax Law No. 5520 published in Official Gazette on June 21, 2006. This rate has been determined as 30 % in year 2005.

According to Turkish Tax Law, arisen losses can be carried forward against income for a maximum period of 5 years. The corporate tax is assessed based on the declaration of the taxpayer. There is not an exact mutual agreement procedure with tax authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 15<sup>th</sup> of April in the following year. Moreover, the tax authorities have the right to examine the legal books of account within 5 years.

##### **Withholding Tax on Income:**

In addition to corporate tax, withholding tax must be computed over dividends distributed to other than the resident and non-resident companies in Turkey. The rate of withholding tax had been implemented as 10% as from April 24, 2003. The rate of withholding tax has been determined as 15 % after the cabinet decision No:2006/10731 published in Official Gazette on 23.07.2006

##### **Deferred Tax:**

The Community recognizes deferred tax asset and liability arisen from the temporary differences between the official financial statements and the financial statements prepared in accordance with the Series XI, No: 25 "Communiqué on Accounting Standards of Capital Markets" ("communiqué").

These temporary differences generally arise when income or expense is included in accounting profit in one period but included in taxable profit in a different period. Such temporary differences are often described as timing differences. Temporary differences exist between the carrying value and the tax base of income among the periods.

Temporary differences are computed over the fixed assets (excluding lands), inventories, prepaid expenses, rediscount on receivables, provision for retirement pay, previous years' losses and investment allowances that will be benefited in the future.

Companies calculate their temporary taxes on their quarterly financial profits in Turkey. The rate of Corporate Tax has been taken down as 20% for applying the Earnings that are belongs to year of 2006 via New Corporate Tax Law No. 5520 published in Official Gazette on June 21, 2006. This rate has been determined as 30 % for year 2005.

The items relating to current tax and deferred tax are given as follows:

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	31.12.2006	
	Accumulated Temporary Differences	Deferred Tax Asset/(Liability)
Fixed Assets	23.110	(4.622)
Rediscount Expenses	210.351	42.070
Provision for Severance Pay	77.574	15.515
Provision for Litigation	6.000	1.200
Provision for decrease in Value of Inventories	161.030	32.206
Rediscount Income	309.207	(61.841)
<b>Total Deferred Tax Asset/ (Liability)</b>		<b>24.528</b>

	31.12.2005	
	Accumulated Temporary Differences	Deferred Tax Asset/(Liability)
Fixed Assets	58.243	(17.473)
Rediscount Expenses	114.408	34.322
Provision for Severance Pay	66.327	19.898
Provision for Litigation	69.511	20.853
Exchange Income	16.464	4.939
Provision for decrease in Value of Inventories	81.885	24.567
Rediscount Income	174.456	(52.337)
<b>Total Deferred Tax Asset/ (Liability)</b>		<b>34.769</b>

<b>31.12.2005 Deferred Tax Asset/(Liability)</b>	<b>34.769</b>
Deferred Tax Income	(10.241)
<b>31.12.2006 Deferred Tax Asset/(Liability)</b>	<b>24.528</b>

**NOTE 15 – OTHER CURRENT/NON CURRENT ASSETS AND SHORT/LONG TERM LIABILITIES**

**Other Current Assets (Short Term)**

The other current assets for the periods ended December 31, 2006 and December 31, 2005 are as follows:

Account Name	31.12.2006	31.12.2005
Prepaid Expenses for the Following Months	36.085	116.953
Income Accruals	1.495.571	2.630.760
Deferred VAT	5.012.663	4.151.631
Prepaid Taxes and Funds	412.113	471.001
Personnel Advances	6.948	14.746
Job Advances	15.238	8.239
Other	-	38.378
<b>Total</b>	<b>6.978.618</b>	<b>7.431.708</b>

**Other Non-Current Assets (Long Term)**

None.



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Account Name	31.12.2006	31.12.2005
Taxes and Funds Payable	334.790	209.875
Other	4.502	90.266
<b>Total</b>	<b>339.292</b>	<b>300.141</b>

**NOTE 16 – FINANCIAL ASSETS**

The financial assets for the periods ended December 31, 2006 and December 31, 2005 are as follows:

Account Name	31.12.2006	31.12.2005
Participation ( Neteks A.Ş.)	401.457	309.434
<b>Total</b>	<b>401.457</b>	<b>309.434</b>

**NOTE 17 – POSITIVE/NEGATIVE GOODWILL**

The goodwill amounts are transferred to the income statement in the period they arise and for this reason there are no balances as of period ends.

**NOTE 18 – INVESTMENT PROPERTIES**

The community has no investment properties as of December 31, 2006 and December 31, 2005.

**NOTE 19 – TANGIBLE FIXED ASSETS**

The net values of Tangible Fixed Assets for the period ended December 31, 2006 is given below.

**31.12.2006****Current Value**

Account Name	31.12.2005	Additions	Disposals	31.12.2006
Machinery, Plants&Equipments	3.709	-	-	3.709
Motor Vehicles	64.015	34.761	-	98.776
Furniture & Fixtures	743.564	7.566	-	751.130
<b>Total</b>	<b>811.288</b>	<b>42.327</b>	<b>-</b>	<b>853.615</b>

**Accumulated Depreciations**

Account Name	31.12.2005	Period Depreciation	Sale Disposals	31.12.2006
Machinery, Plants&Equipments	2.345	742	-	3.087
Motor Vehicles	44.689	11.726	-	56.415
Furniture & Fixtures	668.220	43.216	-	711.436
<b>Total</b>	<b>715.254</b>	<b>55.684</b>	<b>-</b>	<b>770.938</b>
<b>Net Value</b>	<b>96.034</b>			<b>82.677</b>



**DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.****NOTES TO THE FINANCIAL STATEMENTS; PREPARED IN ACCORDANCE WITH CMB  
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The net values of intangible fixed assets for the periods ended December 31, 2005 and December 31, 2004 are given below.

**31.12.2006****Current Value**

Account Name	31.12.2005	Additions	Disposals	31.12.2006
Rights	-	2.651	-	2.651
Leasehold Improvements	75.417	-	-	75.417
Other Intangible Fixed Assets	197.261	-	-	197.261
<b>Total</b>	<b>272.678</b>	<b>-</b>	<b>-</b>	<b>275.329</b>

**Accumulated Depreciations**

Account Name	31.12.2005	Period Depreciation	Sale Disposals	31.12.2006
Rights	-	133	-	133
Leasehold Improvements	48.811	26.606	-	75.417
Other Intangible Fixed Assets	171.428	20.700	-	192.128
<b>Total</b>	<b>220.239</b>	<b>47.439</b>	<b>-</b>	<b>267.678</b>
<b>Net Value</b>	<b>52.439</b>		<b>-</b>	<b>7.651</b>

**NOTE 21 – ADVANCES RECEIVED**

The advances received for the periods ended December 31, 2006 and December 31, 2005 are as follows:

Account Name	31.12.2006	31.12.2005
Advances Received	120.072	242.337
<b>Total</b>	<b>120.072</b>	<b>242.337</b>

**NOTE 22 – PENSIONS AND OTHER BENEFIT PLANS**

The community has no pension and other benefit plans as of December 31, 2006.

**NOTE 23 – PROVISION FOR EXPENSES AND LIABILITIES**

The provision for expenses and liabilities for the periods ended December 31, 2006 and December 31, 2006 are as follows:

Short Term	31.12.2006	31.12.2005
Provision for Taxes	412.113	471.001
Provision for Litigation	6.000	69.511
Other (Electricity, Telephone, Water, Risturn)	138.617	101.893
<b>Total</b>	<b>556.730</b>	<b>642.405</b>

Long Term	31.12.2006	31.12.2005
Provision for Termination Indemnities	77.574	66.327
<b>Total</b>	<b>77.574</b>	<b>66.327</b>

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### **Retirement Pay Provision:**

According to Turkish Labor Law, community has to pay termination benefit to employees who worked more than one year and whose employment agreement has been terminated or whose retired, who deserves retirement right (for women at 58 years old, for men at 60 years old) after completing 25 working years (20 years for women), and also for the ones called for military service or died.

The termination benefit payable is amounted of to one-month salary per year. This amount is limited to **YTL 1.857,44** (31.12.2005 **YTL 1.727,15**)

Since there is no legal obligation for funding the termination benefit liability, there exists no special fund shown in the financial tables.

A convenient discount rate and inflation expectation must be determined to obtain a real discount as a result of offsetting them. And this discount rate should be used in the calculation of bringing termination indemnities payable in the future to present value.

The estimated value of the termination indemnities, which will be not paid due to the voluntary leaves, should also be taken into consideration.

As a result; as of December 31, 2005, termination indemnities, amounting to **YTL 77.574** (31.12.2005: **YTL 66.327**), was calculated by estimating the present value of the liability and therefore; retirement pay provision was made and reflected to financial statements. While calculation of termination indemnities, real discount rate was determined as % 5,71.(2005 % 5,45)

The movement of Employee Termination Benefit is as follows;

	AMOUNT
<b>31.12.2005 Provision</b>	<b>66.327</b>
Period Expense	11.247
<b>31.12.2006 Provision</b>	<b>77.574</b>

### **NOTE 24 – MINORITY INTEREST**

The company does not have subsidiaries subject to full consolidation method, as a result there is no minority interest presented in the financial statements.

### **NOTE 25 – SHARE CAPITAL / ELIMINATION ADJUSTMENTS**

As of 31.12.2006 and 31.12.2005 the Shareholders are listed below;

Shareholder Name	31.12.2006	
	Share Amount	Share Ratio
İndeks A.Ş.	3.909.991	%59,24
Tayfun Ateş	690.000	%10,45
Halka Arz.	2.000.000	%30,30
Other	9	%0,01
<b>TOTAL</b>	<b>6.600.000</b>	<b>%100</b>



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Shareholder Name	31.12.2005	
	Share Amount	Share Ratio
İndeks A.Ş.	1.317.497	%84,99
Tayfun Ateş	232.500	%15,00
Other	3	%0,01
<b>TOTAL</b>	<b>1.550.000</b>	<b>%100</b>

**NOTE 26 – CAPITAL RESERVES**

As a result of adjusting the financial statements for inflation, the items in shareholders' equity such as share capital, emission premiums, legal reserves, other distributable reserves, special reserves and extraordinary reserves are shown in the balance sheet at historical values in accordance with the Communiqué Serie: XI No: 25. The adjustment differences of these items are shown aggregately in "Shareholders' Equity Inflation Adjustment Differences Account".

Shareholders' Equity Inflation Adjustment Differences will be only used when bonus issuing or deducting the previous years' losses whereas the extraordinary reserves' historical value will be used only when bonus issuing, dividend distribution or deducting previous years' losses.

As at December 31, 2005 and December 31, 2004, the Statements of Shareholders' Equity, prepared in accordance with the Communiqué No. XI, 25, for dividend distribution regarding the issues mentioned above are as follows.

	31.12.2006	31.12.2005
Capital	6.600.000	1.550.000
Share Premiums	4.362.719	-
Legal Reserves	113.217	55.531
Extraordinary Reserves	459.029	628.793
Inflation Adjustment Differences of Shareholders' Equity	54.586	2.808.314
Net Profit/(Losses) for the Period	2.103.157	2.446.263
Retained Earnings/(Losses)	205.377	(1.792.691)
<b>Total Shareholders' Equity</b>	<b>13.898.085</b>	<b>5.696.210</b>

	31.12.2006	31.12.2005
Capital Inflation Adjustment Differences	-	2.261.502
Legal Reserves Inflation Adjustment Differences	17.430	44.833
Extraordinary Reserves Inflation Adjustment Differences	37.156	501.979
<b>Shareholders' Equity Inflation Adjustment Differences</b>	<b>54.586</b>	<b>2.808.314</b>

**NOTE 27 – PROFIT RESERVES**

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted. The total amount of legal reserves of the Company as at December 31, 2006 is **YTL 113.217** and amount of extraordinary reserves is **YTL 459.029**. (Legal Reserve as of 31 12 2005 is **YTL 55.531**, extraordinary reserve **YTL 628.793**)



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As of 28. 04. 2006, It has been taken a decision relating to 2005 following paragraph at statutory meeting.

The amount of inflation adjustment difference, as of 31.12. 2006, is YTL 2.475.793. On the other hand, according to Capital Market Board Law Series XI No: 25 related with Accounting Standards on Capital Market" is YTL 2.808.314. This difference has come into existence different inflation accounting method. The balance of YTL 332.521 ( 2.808.314 - 2.475.793) which does not added to company's capital. According to company decision this amount has been deducted with previous year loss/ profit account. Owing to distributable profit which is at company's legitimate record is lower than distributable profit which is prepared to Capital Market Board arbitrations, net distributable profit which is present at company's legitimate record has been taken as basis profit by the company. As of 2005 , After net tax profit balance is YTL 2.303.772 and this balance has been deducted with previous year loss YTL 1.395.552. (1.728.073-332.521). The company has set up first of legal reserve YTL 39.036 and net distributable profit balance is YTL 869.184. The amount of YTL 264.000 has been allocated to be first dividend by cash (Net YTL 237.600) Additionally, The company has set up second of legal reserve YTL 18.650 and the rest of balance has been set up extraordinary reserve by the company.

The company has made a decision that dividend disbursement which is consist of par value stock YTL 1 on the level with gross YTL 0,04 (%4,00), net YTL 0,036, this dividend disbursement to be begun as of 25 May 2006 by reach unanimity.

### NOTE 28 – PREVIOUS YEARS' PROFIT AND LOSSES

In accordance with the Communiqué No. XI-25, Sec.15, Article. 399, the amount arisen from restating financial statements and accounted in "previous years' losses" is deducted from the distributable profit amount determined according to the restated financial statements under CMB' s regulations. Besides, the amount accounted in Previous Years' Losses Account is deductible from the profit for the period and retained earnings, if any, and the balance undeducted amount can be deducted extraordinary reserve, legal reserves and the capital reserves arisen from inflation adjustments.

### NOTE 29 – FOREIGN CURRENCY POSITION

The book value of foreign currency assets and liabilities of the Company denominated in foreign currency are as follows:

31.12.2006

	USD		EURO		GBP	
	Currency	YTL	Currency	YTL	Currency	YTL
Cash	1.636	2.300	-	-	-	-
Banks	485.698	682.697	3.400	6.295	32	89
Accounts Receivable	10.503.891	14.764.269	2.319	4.293	-	-
Notes Receivable	8.275.860	11.632.549	-	-	-	-
Receivables from Shareholders	-	-	-	-	-	-
Receivables from Related Parties	6.249.581	8.784.411	-	-	-	-
Advances Given	1.931.078	2.714.314	-	-	-	-
Other Current Assets	1.041.957	1.464.575	-	-	-	-
Credits	6.562.684	9.224.508	-	-	-	-
Accounts Payable	21.492.343	30.209.637	49	90	-	-
Notes Payable	-	-	-	-	-	-
Payable to Related Parties	5.253.196	7.383.892	45	83	-	-
Other Various Payable	1.950	2.741	-	-	-	-
Advances Taken	83.553	117.443	-	-	-	-
Accrued Expenses	92.121	129.485	-	-	-	-

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	USD		EURO		GBP	
	Currency	YTL	Currency	YTL	Currency	YTL
Cash	2.788	3.741	-	-	-	-
Banks	1.650.510	2.214.654	913	1.449	340	786
Accounts Receivable	8.091.972	10.857.808	3.878	6.157	-	-
Notes Receivable	7.465.173	10.016.767	-	-	-	-
Receivables from Shareholders	-	-	-	-	-	-
Receivables from Related Parties	2.720.224	3.649.966	-	-	-	-
Advances Given	4.517.729	6.061.889	-	-	-	-
Other Current Assets	1.960.620	2.630.760	-	-	-	-
Credits	11.251.700	15.170.667	-	-	-	-
Accounts Payable	19.617.006	26.449.609	-	-	-	-
Notes Payable	246.112	331.833	-	-	-	-
Payable to Related Parties	758.245	1.017.413	-	-	-	-
Other Various Payable	66.947	90.265	-	-	-	-
Advances Taken	178.623	240.837	-	-	-	-
Accrued Expenses	75.571	101.892	-	-	-	-

**Net Foreign Currency Position :****31.12.2006**

	USD	EURO	GBP
Receivable in Foreign Currency	28.489.701	5.719	32
Payable in Foreign Currency	33.485.847	45	-
<b>Net Foreign Currency Position :</b>	<b>(4.996.146)</b>	<b>5.674</b>	<b>32</b>

**31.12.2005**

	USD	EURO	GBP
Receivable in Foreign Currency	26.409.016	4.791	340
Payable in Foreign Currency	32.194.204	-	-
<b>Net Foreign Currency Position :</b>	<b>(5.785.188)</b>	<b>4.791</b>	<b>340</b>

**NOTE 30 – GOVERNMENT GRANTS AND INCENTIVES**

None.

**NOTE 31 – PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Legal provisions have been made for all lawsuits against the company amount of **YTL 6.000** related amounts are presented on financial tables. (31.12.2005: **YTL 69.511**)



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### INSURANCE COVERAGE ON ASSETS;

#### 31.12.2006

As of December 31, 2006 total insurance coverage on assets **YTL 90.835** and **USD 8.680.000**.

#### 31.12.2005

As of December 31, 2004, total insurance coverage on assets **YTL 44.750** and **USD 6.130.000**.

The total amounts of commitments not shown in the liabilities in the balance sheet are as follows:

	31.12.2006	31.12.2005
Guarantee Letters Given	USD 4.250.000	USD 6.497.920
<b>TOTAL</b>	<b>USD 4.250.000</b>	<b>USD 6.497.920</b>

### Mortgages and Guarantees on Assets:

There exists no mortgage or guarantee on assets for the periods ended December 31, 2005

### NOTE 32 – MERGERS

There occurred no merger as of Balance-Sheet dates.

### NOTE 33 – SEGMENT REPORTING

Due to the Company and its associates operates their activities in Information Technology sector, financial information is not reported according to segmentations. The company's sale amounts are as follows:

Product	31.12.2006	31.12.2005	Change % 2006-2005
PROCESSOR	509.007	482.417	5,51%
HARD DISC	299.134	297.223	0,64%
MOTHERBOARD	177.094	124.299	42,47%
MONITOR	18.843	12.295	53,26%
MEMORY	86.127	121.018	-28,83%
FLOPPY DISC DRIVE	298.148	261.454	14,03%
VIDEO CARD	87.833	93.240	-5,80%
OPTIC PRODUCTS	40.212	43.839	-8,27%
SERVER PRODUCTS	2.658	4.736	-43,88%
PRINTER	52.901	21.544	145,55%
LAP TOP	14.250	3.888	266,51%
OTHER	46.294	52.115	-11,17%

### NOTE 34 – SUBSEQUENT EVENTS

None.

### NOTE 35 – DISCONTINUING OPERATIONS

There exist no discontinuing operations of the Company as of the balance sheet date.



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<b>SALES</b>	<b>01.01.2006</b>	<b>31.12.2006</b>	<b>01.01.2005</b>	<b>31.12.2005</b>
Domestic Sales		190.850.824		169.239.535
Foreign Sales		18.189.780		20.341.081
Other Sales		21.797.680		12.603.968
Discounts		(9.755.270)		(4.834.429)
Net Sales Income		221.083.014		197.350.155
Cost of Sales		(211.472.418)		(189.176.958)
Gross Operating Profit / Loss		9.610.596		8.173.198

**NOTE 37 – OPERATING EXPENSES**

<b>Account Name</b>	<b>01.01.2006</b>	<b>31.12.2006</b>	<b>01.01.2005</b>	<b>31.12.2005</b>
Sales and Marketing Expenses		2.402.690		2.167.369
Personnel Expenses		1.553.120		1.333.569
Advertising and Promotion Expenses		70.086		129.152
Transportation Expenses		505.984		391.882
Other		273.500		312.766
General Administrative Expenses		1.535.160		1.275.464
Personnel Expenses		773.792		670.835
Consultancy and Audit Expenses		67.403		55.944
Amortization and Depreciation Expenses		103.413		122.868
Rent Expenses		73.714		67.311
Office Expenses		46.443		48.696
Tax, Duty, Fee Expenses		28.494		16.734
Other		441.901		293.076
<b>Total Operating Expenses</b>		<b>3.937.850</b>		<b>3.442.833</b>

**NOTE 38 – INCOME/(EXPENSE) AND PROFIT/(LOSS) FROM OTHER OPERATIONS**

<b>Other income:</b>	<b>01.01.2006</b>	<b>31.12.2006</b>	<b>01.01.2005</b>	<b>31.12.2005</b>
Foreign Exchange Income		2.694.318		2.182.576
Income from Term Differences		1.646.820		1.101.713
Rediscount Income		423.615		174.456
Participation Income		92.023		84.822
Bank Deposits		219.348		6.197
Nullified Provisions		148.167		12.368
Other		148.142		102.720
<b>Total Other Income:</b>		<b>5.372.433</b>		<b>3.664.852</b>
<b>Other Expenses:</b>				
Interest Eliminated from Current Period Sales Cost		1.737.762		1.186.180
Foreign Exchange Expenses		3.076.164		2.318.442
Rediscount Expenses		384.807		114.408
Previous Period Expense and Losses		-		-
Other		208.966		261.903

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<b>Total Other Expenses:</b>	<b>5.407.699</b>	<b>3.880.933</b>
<b>Other Incomes/(Expenses) - net</b>	<b>(35.266)</b>	<b>(216.081)</b>

**NOTE 39 – FINANCIAL EXPENSES**

<b>Financial Expenses</b>	<b>01.01.2006 31.12.2006</b>	<b>01.01.2005 31.12.2005</b>
Foreign Exchange Expenses	802.825	450.860
Interest Expenses and Bank Costs	2.309.143	1.175.776
<b>Total Financial Expenses</b>	<b>3.111.968</b>	<b>1.626.636</b>

**NOTE 40 – PROFIT/(LOSS) ON NET MONETARY POSITION**

Profit on net monetary position consists of Income of non-monetary assets and Expenses of non-monetary liabilities adjusted for inflation.

**NOTE 41 – TAXES**

	<b>01.01.2006 31.12.2006</b>	<b>01.01.2005 31.12.2005</b>
Provision Expense of Corporate Tax	(412.114)	(471.001)
Deferred Tax Income/(Expense) <b>(Note: 14)</b>	(10.241)	29.816
<b>Tax Income /(Expense) of the Period</b>	<b>(422.355)</b>	<b>(441.185)</b>

**NOTE 42 – NET EARNINGS PER SHARE**

	<b>01.01.2006 31.12.2006</b>	<b>01.01.2005 31.12.2005</b>
Net Profit For The Period	2.103.157	2.446.263
Weighted Average Number of Common Shares With A Nominal Value of YTL 1	6.046.575	15.500.000
<b>Basic Earnings Per Share Pay</b>	<b>% 34,78</b>	<b>% 158</b>

**NOTE 43 – CASH FLOW STATEMENT**

The cash flow statement is presented as an integral part of the financial statements.

**NOTE 44 – OTHER SIGNIFICANT ISSUES**

There are no other significant issues which prevent clear and understandable presentation of the financial statements.